which Hongkong formerly inflicted on its residents. The new American paper money is exactly the same size as the Philippine paper medium.

In 1928 when the United States Treasury Department was contemplating the adoption for the United States of a paper currency of the same size and design as that of the Philippines, the Secretary of the Treasury asked the Philippine Government to change the designs and colors of the Philippine currency in order that the latter might not be mistaken for the new small-sized paper currency of the United States. This request amused then Governor-General Stimson, because Secretary of Finance Miguel Unson broaching the matter with him jokingly remarked that the United States Government in order to suit its purpose, not content with imitating the Philippine paper currency, had the audacity to ask the Philippine Government to change the designs and colors of its paper currency.

On December 31,1934, the total net circulation of Philippine currency was approximately 100,000,000 pesos, ($5<V 000,000). By way of guaranty for this currency there was an exchange standard fund of 46,000,000 pesos ($23,000,000) which was 19,000,000 pesos ($9,500,000) in excess of legal maximum requirements.[2] The treasury certificates were backed peso for peso by American currency in the amount of 74,000,000 pesos ($37,000,000) held in the Federal Treasury and silver pesos and half pesos in the amount of 17,000,000 pesos ($8,500,000) held in the Philippine Treasury vault.

The Philippine peso has been maintained at a

parity with the American dollar, except during the years 1919-1921 when the peso depreciated as much as sixteen per cent.

When the American dollar was devaluated in 1934, the Philippine Government had its gold standard and treasury

[2] Reduced to 12,000,000 pesos ($6,000,000) as of January i, 1936, when the National Assembly authorized the transfer of money from the Exchange Standard Fund to redeem Manila Railroad Company bonds.